

1998 Corporation Estimated Tax

100-ES

For calendar year 1998 or fiscal year beginning MONTH DAY YEAR 1 9 9 8 , and ending MONTH DAY YEAR 1 9 .

Check box to indicate the type of form this entity will file:

(1) ☐ Form 100 (2) ☐ Form 100S (3) ☐ Form 109

Installment
1

Calendar year — Due April 15, 1998
Fiscal year — Due the 15th day of the 4th month of the income year. See instructions.

California corporation number	Federal employer identification number (FEIN)
Corporation name	
Address	
City	State ZIP code

Estimated Tax Amount

QSSS Tax Amount

Total Installment Amount

Return this form with a check or money order payable to:

FRANCHISE TAX BOARD, PO BOX 942857, SACRAMENTO CA 94257-0531.

EFT Taxpayer: Do NOT use this form.

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For calendar year 1998 or fiscal year beginning MONTH DAY YEAR 1 9 9 8 , and ending MONTH DAY YEAR 1 9 .

Check box to indicate the type of form this entity will file:

(1) ☐ Form 100 (2) ☐ Form 100S (3) ☐ Form 109

Installment
2

Calendar year — Due June 15, 1998
Fiscal year — Due the 15th day of the 6th month of the income year. See instructions.

California corporation number	Federal employer identification number (FEIN)
Corporation name	
Address	
City	State ZIP code

Estimated Tax Amount

QSSS Tax Amount

Total Installment Amount

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Check box to indicate the type of form this entity will file:

(1) ☐ Form 100 (2) ☐ Form 100S (3) ☐ Form 109

Installment
3

Calendar year — Due Sept. 15, 1998
Fiscal year — Due the 15th day of the 9th month of the income year. See instructions.

California corporation number	Federal employer identification number (FEIN)
Corporation name	
Address	
City	State ZIP code

Estimated Tax Amount

QSSS Tax Amount

Total Installment Amount

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Instructions for 1998 Form 100-ES

Corporation Estimated Tax

General Information

California has conformed to the federal expanded annualization periods for purposes of computing Exception B. For income years beginning on or after January 1, 1998 the applicable percentage for estimate basis is 100%. Use California Revenue and Taxation Code (R&TC) Section 19011, Sections 19021 through 19027 and Sections 19142 through 19161 to determine the estimate tax requirement for California.

Unless stated otherwise the term "corporations," as used in Form 100-ES and in these instructions, includes banks, financial corporations, certain associations, regulated investment companies, real estate investment trusts, exempt organizations with unrelated business taxable income, certain limited liability companies with corporate characteristics and S corporations.

QSSS Annual Tax

S corporations who are required to pay the \$800 annual tax for qualified Subchapter S subsidiaries (QSSSs), enter the total amount of QSSS annual tax in the monetary box for QSSS Tax Amount. Enter the estimated installment payment amount in the monetary box for Estimated Tax Amount. Combine the two amounts and enter the total payment of both QSSS annual tax and regular estimated tax in the monetary box for Total Installment.

FASIT Minimum Tax

Financial asset securitization investment trusts are subject to the \$800 minimum tax. Get Form 100, California Corporation Tax Booklet for more information.

For corporations that are taxed under Chapter 3 of the California Bank and Corporation Tax Law, the term "income year," as used in Form 100-ES and in these instructions, means taxable year.

Note: Use this form for the calendar year ending December 1998 or fiscal years ending in 1999.

Note: Check the box on Form 100-ES to indicate if the estimate payment is for Form 100, Form 100S, or Form 109.

Electronic Funds Transfer

Corporations that meet certain requirements must remit all of their payments through Electronic Funds Transfer (EFT) rather than by paper checks. Corporations must pay through EFT if on or after January 1, 1995, they are required to remit an estimated tax payment or extension payment in excess of \$20,000, or they have a total tax liability in excess of \$80,000. The Franchise Tax Board (FTB) will notify corporations that are subject to this requirement. Those that wish to participate on a voluntary basis may do so. For more information, call the FTB EFT Section at 916-845-4025.

A Who Must Pay Estimated Tax

One or more payments of estimated tax are required annually from each:

- Corporation incorporated or qualified under the laws of California or doing business in California, whether active or inactive, or having income from sources within California, unless otherwise provided by the Bank and Corporation Tax Law;
- Bank and national banking association doing business in California; and
- Exempt organization or trust with unrelated business income.

Real estate mortgage investment conduits are not required to pay estimated tax. However, use this form to remit the minimum franchise tax which is due

by the 15th day of the fourth month of the income year.

Note for first-time filers: The prepayment of tax made to the Secretary of State at the time of incorporation or qualification is for the privilege of "doing business" during the corporation's first income year. **Do not** claim this payment as an estimated tax payment or credit against the tax liability shown on the return for any given year. The first tax return the corporation files reports the income of its first income year. The tax shown on that return is for the privilege of doing business in the corporation's second year.

B Where to Mail Estimated Tax

Mail estimated tax installments to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531

Make the check or money order payable to "Franchise Tax Board." Write the California corporation number and applicable income year on the check or money order.

Note: If the corporation must pay its tax liability using EFT, **do not** send in Form 100-ES. All taxes due must be remitted by EFT to avoid penalties.

C Installment Due Dates and Amounts

Franchise Tax Filers. If the amount of the estimated tax exceeds the minimum franchise tax, the estimated tax is payable in four installments. The installments are due and payable on the 15th day of the fourth, sixth, ninth and twelfth months of the income year. The amount of each installment is equal to at least 25% of the total estimated tax amount (except for minimum tax filers). If the amount of estimated tax does **not** exceed the minimum franchise tax, the entire amount of the minimum tax is due as an estimate on or before the 15th day of the fourth month of the corporation's income year. If the installment due date falls on a Saturday, Sunday or holiday, the due date is the next business day.

Income Tax Filers. The amount of the estimated tax is payable in four installments. The installments are due and payable on the 15th day of the fourth, sixth, ninth and twelfth months of the income year. If the installment due date falls on a Saturday, Sunday or holiday, the due date is the next business day.

Short-period filers: A corporation with an accounting period of less than twelve months (short period) must pay estimated tax in the number of installments shown in General Information H.

Tax Rates

To compute estimated tax installments, first multiply the estimated net income for tax purposes by the applicable rate:

- Corporations, use 8.84%;
- S corporations, use 1.5%;
- Banks and financial corporations use 10.84%;
- Financial S corporations use 3.5%;
- Exempt trusts, use personal income tax rate Schedule X (single).

Overpayments From Prior Year Returns

The overpayment from a timely filed prior year return is credited as of the first estimate installment due date or the date of payment, whichever is later.

The overpayment from a delinquent filed prior year return is credited as of the first estimate installment due date, the date of payment or the date the delinquent return was filed, whichever is later.

For more information, refer to federal Rev. Rul. 84-58, 1984-1 C.B. 254.

Corporations may pay any estimated tax installment before the due date.

D Underpayment or Late Payment

Generally, an underpayment of estimated tax is the difference between (1) the amount that would be due for each installment of estimated tax if the estimated tax were equal to 100% of the tax shown on the return, prorated to each installment, and (2) the amount actually paid or credited on or before the due date of that installment.

Underpayment or late payment of estimated tax installments will result in an estimate penalty calculated from the due date of each installment until paid, or until the original due date of the return, whichever is earlier. Use form FTB 5806, Underpayment of Estimated Tax by Corporations, to determine if an exception to a penalty exists and to figure the penalty.

California does not conform to federal law regarding the application of the underpayment penalty. For federal purposes the application of the penalty is based on the lesser of prior year or current year tax, while for California purposes the application of the penalty is based on current year tax only.

R&TC Section 19023 defines tax, for purposes of California estimate payments, to include alternative minimum tax, taxes from Schedule D, the excess net passive income tax, LIFO recapture tax, credit recapture, built-in gains tax, and the minimum franchise tax. This definition of tax does not conform to the federal definition of tax. Also, taxable income for S corporations includes the R&TC Section 23802(e) deduction for passive investment income and built-in gains.

E Minimum Franchise Tax

To avoid the imposition of an estimate penalty, a corporation subject to franchise tax must pay at least the minimum franchise tax shown in the chart below whether the corporation is active, inactive, operates at a loss or files a return for a short period.

- Corporations that are subject to franchise tax \$800
- Qualified inactive gold or quicksilver mining corporations \$25

A combined group filing a single return must pay at least the minimum franchise tax for **each** corporation in the group that is subject to franchise tax.

There is no minimum franchise tax for:

- Corporations that are subject only to income tax if they are not "doing business" in California, and are not incorporated or qualified under the laws of California, but derive income from sources within California (get FTB Pub. 1050, Application and Interpretation of Public Law 86-272; FTB Pub. 1060, Guide for Corporations Starting Business in California; or FTB Pub. 1063, Guide for Corporations That May Be Subject to the Provisions of the California Bank and Corporation Tax Law for more information regarding "doing business");
- Credit unions;
- Exempt organizations; and
- Corporations that are not incorporated under the laws of California and whose sole activities in this state are engaging in convention and trade show activities for seven or fewer days during an income year, and that do not derive more than \$10,000 of gross income reportable to this state during an income year are not "doing business"

in California (get FTB Pub. 1060 for more information).

F Exceptions to the Estimate Penalty

If the estimated tax paid is equal to or greater than the amount defined in General Information D, the FTB will not assess an estimate penalty. If an underpayment exists, the FTB will not assess the estimate penalty if the corporation meets any one of the following exceptions.

Caution: The following exceptions do not apply if the estimated tax installments due are not paid on or before the installment due date.

Worksheet I — Exception A — Prior year's tax

This exception applies if the amount paid or credited on or before the installment due date equals or exceeds the tax shown on the preceding year's return for a 12 month period, prorated to each installment.

If the corporation uses the annualized current year income method or the annualized seasonal income method, see Worksheets II, III and IV.

Line 7 — Other taxes. R&TC Section 19023 defines tax, for purposes of California estimate payments to include alternative minimum tax, S corporation tax from Schedule D, excess net passive income tax, LIFO recapture tax, credit recapture and the minimum franchise tax. Enter for each payment period.

Line 11 — If a large corporation, see instructions below.

"Large" corporations

"Large" corporations may use this exception for only the first estimated tax installment and must add any reduction in the first estimated tax installment to the second estimated tax installment.

If the annualized current year income method or annualized seasonal income method is not used for the third or fourth installment, follow the instructions below to figure the amounts to enter on line 11 of Worksheet I.

- If line 8 is smaller than line 9, multiply line 8 (total tax) times the applicable percentage (25%, 50%, 75% or 100%) shown for each quarter at the top of column (1) through column (4). Enter the result for each quarter on line 11.
- If line 9 is smaller than line 8, determine the amount to enter as follows:
 - (a) Enter 25% of line 9 in column (1) of line 11.
 - (b) Enter 50% of line 8 in column (2) of line 11.
 - (c) Enter 75% of line 8 in column (3) of line 11.
 - (d) Enter 100% of line 8 in column (4) of line 11.

A "large" corporation is any bank or corporation, including a predecessor bank or corporation, that had California net income (computed without regard to the net operating loss deduction) of \$1 million or more for any income year during the three income

years immediately preceding the current income year.

Line 12 — Enter the cumulative payment of estimated tax for this income year to the date of this estimate payment. Include any overpayments from 1997 tax that was credited to 1998 estimated tax.

Worksheet II — Exception B — Tax on annualized current year income

This exception applies if the estimated tax paid on or before the installment due date equals or exceeds 100% of the amount the corporation would owe if its estimated tax was computed on annualized current net income for tax purposes for the months preceding the installment due date.

Line 1 — Annualization periods. Enter the number of months that the corporation is using in the annualization period based on the options listed in the table below. For example, if the corporation elects Option 1, enter the annualization periods 2, 4, 7 and 10 in columns (1) through (4).

Installment	1st	2nd	3rd	4th
Standard option	3	3	6	9
Option 1	2	4	7	10
Option 2	3	5	8	11

Corporations: Use the Standard Option or elect to use either Option 1 or Option 2.

Exempt organizations: Use Option 1 (the standard option for exempt organizations) or elect to use Option 2.

Note: Corporations must make an election to use the annualization periods under Option 1 or Option 2. The election must be made on or before the due date of the first required installment payment. The corporation must make an election to use the expanded options even if it uses another method, such as Exception A, for its first installment. To make an election file federal Form 8842, Election To Use Different Annualization Periods for Corporate Estimated Tax, **OR** if a timely election was made for federal purposes by filing federal Form 8842, and the corporation is using the same Option for state purposes, attach a copy of the federal form to the corporations tax return when filed. Once made, an election is irrevocable for the tax year. The corporation should file federal Form 8842 with its first installment voucher. If the corporation must pay its tax liability using EFT, file federal Form 8842 on or before the due date of the first installment payment by mailing to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0530

Line 3 — Annualization amounts. Enter the annualization amounts from the table below, for the elected

option. For example, if the corporation elects Option 1, enter on line 3 the annualization amounts 6, 3, 1.71429 and 1.2, in columns (1) through (4), respectively.

Option	1st	2nd	3rd	4th
Standard option	4	4	2	1.33333
Option 1	6	3	1.71429	1.2
Option 2	4	2.4	1.5	1.09091

Line 8 — Other taxes. R&TC Section 19023 defines tax, for purposes of estimate payments to include alternative minimum tax, S corporation taxes from Schedule D, excess net passive income tax, LIFO recapture tax, credit recapture and the minimum franchise tax. Enter for each payment period.

Line 12 — Enter the total amount of cumulative payments of estimated tax for the income year up to the due date of the installment. Include any overpayments from 1997 tax that was credited to 1998 estimated tax.

Worksheet III — Exception C — Tax on annualized seasonal income

This exception applies if the estimated tax paid on or before the installment due date equals or exceeds 100% of the amount the corporation would owe if its estimated tax was computed on annualized seasonal net income tax purposes for the months preceding the installment due date. Use exception C only if the corporations base period percentage for any 6 consecutive months of the income year equals or exceeds 70%. Refer to the federal instructions for Form 1120-W, Part II, Adjusted Seasonal Installment Method, for an explanation on how to compute the base period percentage.

Line 32 — Other taxes. R&TC Section 19023 defines tax, for purposes of estimate payments to include alternative minimum tax, S corporation taxes from Schedule D, excess net passive income tax, LIFO recapture tax, credit recapture and the minimum franchise tax. Enter for each payment period.

Line 34 — Enter the total amount of cumulative payments of estimated tax for the income year up to the due date of the installment. Include any overpayments from 1997 tax that was credited to 1998 estimated tax.

G Revised Estimates

Corporations may revise the estimated tax any time during the income year. If the corporation revises the estimated tax, compute the amount of each remaining installment (if any) by:

- Subtracting from the revised estimated tax, the total estimated tax previously paid; and
- Dividing the result by the number of installments remaining as of the date the revision is made.

H Accounting Period Less Than 12 Months (Short Period) — Fiscal year corporations, adjust dates accordingly.

If income year (calendar year) begins:	Number of Installments Due	Percentage of Estimated Tax Due On or Before			
		April 15	June 16	September 15	December 15
January 1 through January 16	4	25%	50%	75%	100%
January 17 through March 16	3		33⅓%	66⅔%	100%
March 17 through June 15	2			50%	100%
June 16 through September 15	1				100%
September 16 through December 31	None				

Computation of Estimated Tax

Worksheet I. Exception A — Prior Year's Tax

1	Taxable income expected in the tax year	1	_____
2	R&TC Section 23802(e) deduction (S corporations only)	2	_____
3	Net income. Subtract line 2 from line 1	3	_____
4	Tax. Multiply line 3 by the current tax rate	4	_____
5	Tax credits	5	_____
6	Subtract line 5 from line 4. (not less than minimum tax, if applicable)	6	_____
7	Other taxes. See instructions	7	_____
8	Total tax. Add line 6 and line 7	8	_____
9	Enter the tax shown on the corporation's 1997 tax return	9	_____
10	Enter the smaller of line 8 or line 9	10	_____

	(1) 25% (not less than min.)	(2) 50%	(3) 75%	(4) 100%
11 Multiply line 10 by the percentage shown in columns 1 through 4. Large corporations see instructions				
12 Cumulative payment amount. See instructions				
13 Subtract line 12 from line 11. If zero or less, enter -0-.				

Note to large corporations: To meet the exception by paying prior year's tax for the first estimate installment and paying the reduction in the first estimate installment with the second estimate installment, the corporation must have paid the amounts in column (1) and column (2).

Worksheet II. Exception B — Annualized Current Year Income

	(1)	(2)	(3)	(4)
1 Annualization periods. See instructions				
2 Enter taxable income for each annualization period				
3 Annualization amounts. See instructions				
4 a Annualized taxable income. Multiply line 2 by line 3				
b R&TC Section 23802(e) deduction. (S corporations only)				
c Net income. Subtract line 4b from line 4a				
5 Tax. Multiply line 4c by the current tax rate				
6 Tax credits for each payment period				
7 Subtract line 6 from line 5.				
8 Other taxes. See instructions				
9 Total tax. Add line 7 and line 8.				
10 Applicable percentage	25% (not less than min.)	50%	75%	100%
11 Multiply line 9 by line 10.				
12 Cumulative payments. See instructions				
13 Annualized current year income installments. Subtract line 12 from line 11. If zero or less, enter -0-.				

Worksheet III. Exception C — Annualized Seasonal Income

(Use this method only if the base period percentage for 6 consecutive months is at least 70%. See instructions.)

	(1)	(2)	(3)	(4)
14 Enter taxable income for the following periods:	First 3 months	First 5 months	First 8 months	First 11 months
a Tax year beginning in 1995				
b Tax year beginning in 1996				
c Tax year beginning in 1997				
15 Enter taxable income for each period for the tax year beginning in 1998.				
16 Enter the taxable income for the following periods:	First 4 months	First 6 months	First 9 months	Entire year months
a Tax year beginning in 1995				
b Tax year beginning in 1996				
c Tax year beginning in 1997				
17 Divide the amount in each column on line 14a by the amount in column (4) on line 16a.				
18 Divide the amount in each column on line 14b by the amount in column (4) on line 16b.				

Worksheet III. Exception C — Annualized Seasonal (continued)		(1)	(2)	(3)	(4)
19	Divide the amount in each column on line 14c by the amount in column (4) on line 16c				
20	Add lines 17 through 19.				
21	Divide line 20 by 3.				
22	a Divide line 15 by line 21.				
	b R&TC Section 23802(e) deduction. (S corporations only).				
	c Net income. Subtract line 22b from line 22a.				
23	Tax. Multiply line 22c by the current tax rate				
24	Divide the amount in columns (1) through (3) on line 16a by the amount in column (4) on line 16a.				
25	Divide the amount in columns (1) through (3) on line 16b by the amount in column (4) on line 16b.				
26	Divide the amount in columns (1) through (3) on line 16c by the amount in column (4) on line 16c.				
27	Add line 24 through line 26				
28	Divide line 27 by 3.				
29	Multiply the amount in columns (1) through (3) of line 23 by the amount in the corresponding column of line 28. In column (4), enter the amount from line 23, column (4)				
30	Tax credits for each payment period				
31	Subtract line 30 from line 29				
32	Other taxes. See instructions				
33	Total tax. Add line 31 and line 32	(not less than min.)			
34	Cumulative payments. See instructions.				
35	Adjusted seasonal installments. Subtract line 34 from line 33. If zero or less, enter -0-.				

Worksheet IV. — Required Installments				
36	If only Worksheet II, Exception B or Worksheet III, Exception C are completed, enter the amount in each column from line 13 or line 35. If both Worksheet II and Worksheet III are completed, enter the smaller of the amounts in each column from line 13 or line 35			
37	Enter the amount from Worksheet I, line 13. If Worksheet I was not completed leave blank			
38	Required installments. Enter the smaller of line 36 or line 37. Enter the required installment amount on the appropriate voucher for each installment payment.			